

## Message Text

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ACTION AF-08

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04  
NSAE-00 SIL-01 DODE-00 PM-04 H-01 L-03 NSC-05 PA-01  
PRS-01 SP-02 SS-15 USIA-06 DHA-02 /068 W  
----- 041054 /11

R 170833Z DEC 76  
FM AMEMBASSY PRETORIA  
TO SECSTATE WASHDC 6433  
INFO AMCONSUL CAPE TOWN  
AMCONSUL DURBAN  
AMCONSUL JOHANNESBURG

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E.O. 11652: N/A  
TAGS: ELAB, SF, US, PINT  
SUBJECT: LABOR PRACTICES OF U.S. AFFILIATES IN SOUTH AFRICA

REF: STATE 258995, STATE 301218, PRETORIA A-218

1. FOLLOWING IS STATEMENT ON RECENT POLITICAL DEVELOPMENTS  
IN SOUTH AFRICA FOR USE IN PROPOSED SEMINAR FOR HIGH LEVEL  
REPRESENTATIONS OF U.S. FIRMS (STATE 258995). ECONOMIC STATEMENT  
FORWARDED UNDER COVER PRETORIA A-218 ON DECEMBER 10.

2. BEGIN QUOTE.

"FOR THE PAST THREE DECADES WHITE SOUTH AFRICANS HAVE BEEN  
RELATIVELY INSULATED FROM THE POLITICAL CURRENTS SWEEPING  
AFRICA, LARGELY BECAUSE OF THE GEOGRAPHIC BUFFER AFFORDED  
BY THE PORTUGUESE COLONIES AND RHODESIA. DURING THIS PERIOD  
THE AFRIKANER-DOMINATED NATIONAL PARTY, WHICH GAINED CONTROL  
OF THE GOVERNMENT IN 1948, HAS CONSOLIDATED ITS DOMINATION  
OF THE COUNTRY. AT THE SAME TIME SOUTH AFRICA ACHIEVED UN-  
PRECEDENTED LEVELS OF ECONOMIC PROSPERITY AND TECHNOLOGICAL  
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DEVELOPMENT. WHILE THIS PROGRESS WAS BEING MADE, AND  
CONTARY TO TRENDS ELSEWHERE IN THE WORLD, THE AFRIKANER  
LEADERSHIP WAS ERECTING A HIGHLY INSTITUTIONALIZED SYSTEM  
OF RACIAL DISCRIMINATION (APARTHEID) IN ORDER TO INSURE THE  
CONTINUED SUPREMACY OF THE WHITE MAN.

"OVER THE PAST EIGHTEEN MONTHS SOUTH AFRICA'S POSITION HAS CHANGED MARKEDLY. THE COLLAPSE OF THE PORTUGUESE EMPIRE HAS BROUGHT BLACK NATIONALIST PRESSURES TO ITS BORDERS FOR THE FIRST TIME. THE FRUSTRATIONS ARISING FROM APARTHEID, COUPLED WITH THE SUCCESSFUL EXAMPLE OF BLACK NATIONALISM ELSEWHERE IN AFRICA, HAVE ENCOURAGED BLACK AND COLORED YOUTH TO REVOLT AGAINST THE SYSTEM WAS NEVER BEFORE. TO COMPOUND SOUTH AFRICA'S DIFFICULTIES, THE ECONOMY, FOLLOWING IN THE WAKE OF THE RECESSION IN WESTERN EUROPE AND THE UNITED STATES, IS EXPERIENCING A SEVERE DEPRESSION WITH SERIOUS BALANCE OF PAYMENTS DIFFICULTIES, GROWING UNEMPLOYMENT ESPECIALLY AMONG BLACK WORKERS, AND A SHARP FALL IN THE GROWTH RATE, FURTHER THREATENING SOCIAL STABILITY.

"THE SAG'S RESPONSE TO THESE PROBLEMS HAS BEEN AMBIVALENT. IT HAS COOPERATED WITH ANGLO-AMERICAN EFFORTS TO BRING A PEACEFUL TRANSITION TO INDEPENDENCE AND MAJORITY RULE IN RHODESIA. WITH RESPECT TO NAMIBIA IT HAS PARTICIPATED CONSTRUCTIVELY IN TALKS WITH THE UNITED STATES LOOKING TOWARD SELF-DETERMINATION BY THE PEOPLES OF THAT TERRITORY AS A UNITARY STATE. IN THE ECONOMIC SPHERE, SOUTH AFRICA HAS, IN CONSULTATION WITH THE INTERNATIONAL MONETARY FUND, TAKEN MEASURES TO RECTIFY ITS BALANCE OF PAYMENTS DEFICIT WITHOUT IGNORING ITS TRADE COMMITMENTS UNDER GATT. HOWEVER, ON THE DOMESTIC FRONT THE SAT CONTINUES TO ADHERE TO ITS POLICY OF SEPARATE DEVELOPMENT IN RACE RELATIONS DESPITE CLEAR INDICATIONS THAT THE POLICY IS NOT ACCEPTABLE TO THE BLACKS AND GROWING DEMANDS BY WHITE LEADERS FOR FUNDAMENTAL CHANGE TO ACCOMMODATE THE GRIEVANCES OF THE NON-WHITE ELEMENTS OF THE POPULATION.

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"ONE OF THE MOST SIGNIFICANT NEW DEVELOPMENTS IN THE SOUTH AFRICAN SCENE IS THE GROWING PUBLIC DEBATE ON THE NEED FOR A NEW POLITICAL DISPENSATION WHICH WOULD RECOGNIZE THE RIGHT OF BLACKS TO SHARE MORE EQUITABLY IN THE POLITICAL AND ECONOMIC LIFE OF THE COUNTRY. THE VOICES HEARD IN THIS DEBATE ARE NOT CONFINED TO BLACK GROUPS, OPPOSITION POLITICAL PARTIES AND THE ENGLISH-LANGUAGE PRESS. INCREASINGLY, BUSINESSMEN, CHURCH AND ACADEMIC LEADERS, AND CONCERNED SPOKESMEN WITHIN AFRIKANERDOM ITSELF ARE CALLING UPON THE GOVERNMENT TO ACT BEFORE RACIAL CONFRONTATION BECOMES INEVITABLE.

"THE GOVERNMENT SO FAR HAS SHOWN ONLY LIMITED INCLINATION TO HEED THIS ADVICE. IT RECOGNIZES THAT DISCRIMINATION LEADS TO RACIAL FRICTION AND HAS BEGUN TO REMOVE SOME OF THE MORE IRRITATING PETTY APARTHEID MEASURES. IT ADMITS THAT LIVING CONDITIONS IN THE TOWNSHIPS NEED TO BE IMPROVED AND HAS PLEDGED TO WORK IN THAT DIRECTION. BUT IT REMAINS STRONGLY COMMITTED TO THE POLICY OF SEPARATE DEVELOPMENT.

IT HAS MET UNREST WITH FIRM POLICE ACTION IN WHICH SEVERAL HUNDRED PERSONS HAVE BEEN KILLED AND WOUNDED. TO CURB FUTURE VIOLENCE THE SECURITY POLICE HAVE BEEN WIDESPREAD DETENTIONS AFFECTING THE LEADERSHIP OF BLACK ORGANIZATIONS THROUGHOUT THE COUNTRY AS WELL AS WHITE GROUPS WORKING FOR BLACK RIGHTS. IN THE ABSENCE OF A WILLINGNESS BY THE GOVERNMENT TO MAKE FUNDAMENTAL CHANGES IN RACE RELATIONSHIPS THE PROSPECTS ARE FOR CONTINUED UNREST GENERATED BY DISAFFECTED BLACK YOUTH WITHIN THE COUNTRY SUPPORTED BY BLACK NATIONALIST ELEMENTS OUTSIDE WHO SEEK EXTENSION OF MAJORITY RULE TO ALL OF AFRICA.

"THE POLARIZATION OF ATTITUDES CAN BE EXPECTED EVENTUALLY TO HAVE A STRONG IMPACT ON THE PRESENCE OF OTHER COUNTRIES IN SOUTH AFRICA. THAT PRESENCE WILL BE LOOKED AT BY THE BLACK COMMUNITIES IN TERMS OF HOW IT HELPS OR HINDERS THE BLACK MAN TO ACHIEVE HIS OBJECTIVES OF HUMAN DIGNITY AND EQUAL OPPORTUNITY. WE CAN ANTICIPATE THAT THE 21 MILLION BLACK, COLORED, AND INDIAN SOUTH AFRICANS WILL INCREASINGLY USE THIS LIMITED OFFICIAL USE

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YARDSTICK IN ASSESSING THE UNITED STATES' PRESENCE, BOTH PUBLIC AND PRIVATE, IN SOUTH AFRICA."  
BOWDLER

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NNN

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